

Natividad Medical Center  
RESPONSE TO MONTEREY COUNTY FROM THE NMC  
BOARD OF TRUSTEES  
CIVIL GRAND JURY 2000 FINAL REPORT

**FINDINGS**

1. *Natividad provides essential services to a large population of low income and indigent Monterey County residents.*

**Response:** The Boards of Trustees agree with this finding.

2. *Natividad lacks a comprehensive long-term plan expanding its revenue base and moving toward financial independence.*

The Boards of Trustees disagrees partially with this finding.

**Response:** NMC has had a strategic plan in place approved by both the Board of Trustees and Supervisors since the early 1990's. The plan is reviewed every 18-24 months, revised as necessary, approved by both Boards, and forms the basis of marketing strategies and annual enterprise fund operating budgets.

The Strategic Plans have consistently contained strategies which translate into work plans to expand revenue base and move toward financial independence (Natividad Medical Center, Strategic Direction FY 1999-2001.) Twenty-five percent of NMC revenue is primarily dependent on state and federal block grants subject to legislative and regulatory approval. This situation is common throughout the nation and California among public, university and children's hospitals. In spite of fiscal uncertainty, NMC has stabilized the County's general fund contributions to less than 3% of net revenue since 1995. This performance has enabled NMC to absorb virtually all health care inflation and rank among the highest performing public hospitals in the state based on the least amount of county contribution.

The Boards of Trustees agree with the 2000 Grand Jury that every public and private funding source needs to be pursued on a continuous basis to assure the long-term survival of NMC as a Monterey County-owned and operated facility that assures access to health care for all Monterey County residents.

## RECOMMENDATIONS

1. *In view of the essential nature of the services provided by Natividad Medical Center, the Board of Supervisors and the Natividad Board of Trustees and Administration take all necessary steps to insure the hospital's long-term survival as a Monterey County-owned and operated facility.*

The Boards of Trustees agree with this recommendation.

2. *Health care planners at Natividad review present and future prospects for financial support and develop a coordinated strategic plan.*

The Boards of Trustees disagrees partially with this finding.

Response: The Boards have and will continue to have a coordinated Strategic Plan. During the spring of 2001, County and Natividad Medical Center Administration, medical staff, and employees will develop an update of the current Strategic Plan. The Board of Trustees will approve the results and recommend approval of the revised plan to the Board of Supervisors by fall of 2001.

Prior year updates have followed the same process so that there has been a continuing focus on collaboration on the work strategies to accomplish the goals of the plan. Flexibility is built into the plan so business cases can be made for opportunities that occur during a fiscal year and new programs developed for improved services and revenue enhancement.